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PTQ4783

RELEASED IN PART
B1, 1.4(D), B4

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ACTION EB-00

INFO	LOG-00	MFA-00	NP-00	AID-00	ACQ-00	INL-00	DEAE-00
	WHA-00	SRPP-00	DS-00	OIGO-00	FBIE-00	FBO-00	VC-00
	TEDE-00	INR-00	LAB-01	VCE-00	AC-01	NSAE-00	OES-01
	PM-00	ACE-00	SCT-00	IRM-00	SSO-00	SS-00	ASDS-01
	EPAE-00	PMB-00	DSCC-00	DRL-02	NFAT-00	SAS-00	/006W

-----59EEEB 181619Z /38

P 181609Z JAN 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 6214
INFO AMEMBASSY PANAMA
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY MEXICO
SECDEF WASHDC
NSC WASHDC
DOJ WASHDC
DIRONDCP WASHDC
USCINCSO MIAMI FL

JOINT STAFF WASHDC
USMILGP BOGOTA CO
COMSOUTH ROOSEVELT ROADS PR
CIA WASHDC
DOE HQS FORRESTAL BLDG WASHINGTON DC
AMCONSUL RECIFE

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C O N F I D E N T I A L SECTION 01 OF 07 BOGOTA 000546

RECIFE FOR F. FERNANDEZ

E.O. 12958: DECL: 01/18/12
TAGS: EPET, PTER, MASS, PREL, PGOV, EAID, SNAR, ASEC, CO
SUBJECT: ARAUCA PIPELINE SECURITY: "THE WAY AHEAD"

REFS: A) 01 BOGOTA 10436; B) 01 BOGOTA 09592; C) 01
BOGOTA 09557; D) 01 BOGOTA 09243

CLASSIFIED BY AMBASSADOR ANNE W. PATTERSON FOR REASONS
1.5 (B) AND (D).

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: JOHN L MILLS
DATE/CASE ID: 30 MAR 2005 200404910

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SUMMARY

1. (C) ON JANUARY 18, OCCIDENTAL PETROLEUM (OXY) STOPPED PRODUCTION AT THE CANO LIMON FACILITY IN ARAUCA DEPARTMENT (NEAR COLOMBIA'S NORTHEAST BORDER WITH VENEZUELA), AFTER FIVE ATTACKS ON THE PIPELINE SINCE THE FIRST OF THE YEAR. ON DECEMBER 4, OXY HAD RESTARTED PRODUCTION, SINCE OPERATIONS HAD BEEN SUSPENDED FOR TWO MONTHS BEFORE BECAUSE OF PIPELINE ATTACKS BY THE FARC AND ELN. OXY REMAINS CONCERNED THAT THE END OF THE ELN'S TRUCE ON JANUARY 6 AND RECENT THREATS BY THE FARC MAY USHER IN A NEW WAVE OF ATTACKS.

B1

OXY STOPS PRODUCTION

3. (C) ON JANUARY 18, OXY GOVERNMENT RELATIONS MANAGER ANDRES SOTO TOLD ECONOFF THAT OXY SUSPENDED PRODUCTION, AFTER FIVE ATTACKS SINCE DECEMBER 4. SOTO TOLD ECONOFF THAT PRODUCTION HAD RESUMED ON DECEMBER 4, HAVING BEEN HALTED SINCE OCTOBER 8 BECAUSE OF ATTACKS ON THE PIPELINE

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(ORIGINATING IN CANO LIMON IN NORTHCENTRAL ARAUCA AND
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TRAVELING NORTHWEST 770 KILOMETERS TO THE CARIBBEAN PORT
OF COVENAS) BY THE REVOLUTIONARY ARMED FORCES OF COLOMBIA
(FARC) AND THE NATIONAL LIBERATION ARMY (ELN). OXY WAS
ABLE TO PUMP OVER 100,000 BARRELS SINCE DECEMBER 4 AND
ENDED "FORCE MAJUERE" ON DECEMBER 8. HOWEVER, THE
PIPELINE WAS ATTACKED ON JANUARY 9 AND 16 NEAR ARAUQUITA
(43 KILOMETERS WEST OF THE CANO LIMON PRODUCTION
FACILITY) AND ON JANUARY 17 NEAR SARAVENA (102
KILOMETERS).

B1, B4

4. (C) THE STOPPAGE FROM OCTOBER TO DECEMBER MARKED THE
SECOND TIME IN 2001 THAT OXY WAS FORCED TO STOP
PRODUCTION AND DECLARE "FORCE MAJEURE" -- THE PREVIOUS
TIME BEING FEBRUARY TO JULY 2001 (REF D). [NOTE: "FORCE
MAJEURE" IS AN UNFORESEEN AND DISRUPTIVE EVENT OR SERIES
OF EVENTS THAT JUSTIFY A PARTY'S FAILURE TO MEET

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ACTION EB-00

INFO	LOG-00	MFA-00	NP-00	AID-00	ACQ-00	INL-00	DEAE-00
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	TEDE-00	INR-00	LAB-01	VCE-00	AC-01	NSAE-00	OES-01
	PM-00	ACE-00	SCT-00	IRM-00	SSO-00	SS-00	ASDS-01
	EPAE-00	PMB-00	DSCC-00	DRL-02	NFAT-00	SAS-00	/006W

-----59EEFE 181620Z /38

P 181609Z JAN 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 6215
INFO AMEMBASSY PANAMA
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY MEXICO
SECDEF WASHDC
NSC WASHDC

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DOJ WASHDC
DIRONDCP WASHDC
USCINCSO MIAMI FL

JOINT STAFF WASHDC
USMILGP BOGOTA CO
COMSOUTH ROOSEVELT ROADS PR
CIA WASHDC
DOE HQS FORRESTAL BLDG WASHINGTON DC
AMCONSUL RECIFE

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C O N F I D E N T I A L SECTION 02 OF 07 BOGOTA 000546

RECIFE FOR F. FERNANDEZ

E.O. 12958: DECL: 01/18/12

TAGS: EPET, PTER, MASS, PREL, PGOV, EAID, SNAR, ASEC, CO
SUBJECT: ARAUCA PIPELINE SECURITY: "THE WAY AHEAD"

CLONTRACOTUAL OBLIGATIONS, INCLUDING DELIVERY OF CONTRACTED
GOODS AND PAYMENT OF WORKER SALARIES. END NOTE. SOTO
ADDED THAT THE TWO STOPPAGES IN 2001 DEFERRED THE
PRODUCTION OF ROUGHLY 24 MILLION BARRELS OF OIL, EDUCING
COLOMBIA'S GDP BY NEARLY 0.6 PERCENT OR USD 600 MILLION.
OVERALL, THE GUERRILLAS ATTACKED THE PIPELINE 170 TIMES
IN 2001, NEARLY DOUBLING FROM 2000 AND BRINGING THE TOTAL
NUMBER OF ATTACKS TO 923 SINCE PRODUCTION BEGAN OVER 16
YEARS AGO.

OXY WORRIED ABOUT MORE ATTACKS

5. (C) SOTO EXPRESSED CONCERN ABOUT FUTURE PRODUCTION,
STRESSING THAT THE END OF THE ELN'S TRUCE ON JANUARY 6
MAY PRECIPITATE ANOTHER WAVE OF ATTACKS. SOTO ADDED THAT
ON DECEMBER 20 A BUSLOAD OF OXY PERSONNEL TRAVELLING FROM
ARAUCA CITY TO THE NEARBY OIL FIELDS WAS TEMPORARILY
DETAINED BY THE FARC AND TOLD THAT ATTACKS WOULD RESUME
SOON. HE ALSO NOTED THE FARC ATTACKED THE 18TH BRIGADE'S
(BDE) 49TH COUNTER-GUERRILLA BATTALION (BN) AT LA

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ESMERALDA (NORTHWEST ARAUCA DEPARTMENT) WITH 6-8 CYLINDER
BOMBS ("PIPETAS") ON DECEMBER 26, WHICH OVERSHOT THE BASE
CAUSING NO DAMAGE. ACCORDING TO LOCAL NEWS REPORTS,

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NEWLY APPOINTED 2ND DIVISION COMMANDER MAJOR GENERAL
MARTIN ORLANDO CARRENO STATED THAT THE FARC'S 10TH FRONT
ON JANUARY 5 MOUNTED A DIVERSIONARY ROADBLOCK BETWEEN
ARAUCA CITY AND THE NEARBY OIL FIELD, IN ORDER TO LURE
THE 18TH BDE TO RESPOND, WHEREBY THEY DETONATED
EXPLOSIVES AND KILLED THREE MEMBERS OF THE 49TH BN.

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SOTO IS

WORRIED THAT THESE GUERRILLA ACTIONS AND STATEMENTS MAY
SIGNAL THAT A FRESH ROUND OF ATTACKS ARE IMMINENT.

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ACTION EB-00

INFO	LOG-00	MFA-00	NP-00	AID-00	ACQ-00	INL-00	DEAE-00
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	TEDE-00	INR-00	LAB-01	VCE-00	AC-01	NSAE-00	OES-01
	PM-00	ACE-00	SCT-00	IRM-00	SSO-00	SS-00	ASDS-01
	EPAE-00	PMB-00	DSCC-00	DRL-02	NFAT-00	SAS-00	/006W
				-----59EF13 181620Z /38			

P 181609Z JAN 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 6216
INFO AMEMBASSY PANAMA
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY MEXICO
SECDEF WASHDC
NSC WASHDC
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B1

14. (U) ENVIRONMENTAL DAMAGE DUE TO PIPELINE ATTACKS HAS BEEN CONSIDERABLE. ATTACKS BY GUERRILLAS ON THE PIPELINE HAVE CAUSED ALMOST 2.8 MILLION BARRELS OF OIL OR TEN TIMES THE SIZE OF THE "EXXON VALDEZ" TO BE SPILLED SINCE 1986, COSTING NEARLY USD 100 MILLION IN REPAIRS AND ENVIRONMENTAL CLEAN-UP. IN EARLY NOVEMBER 2001, AN ATTACK DUMPED 7,000 BARRELS OF OIL OVER AN 80 KILOMETER AREA, INCLUDING THE ARAUCA RIVER BORDERING VENEZUELA. AGRICULTURAL PRODUCTION WITHIN SPILL AREAS HAS BEEN HIT HARD.

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POLITICAL-ECONOMIC MELTDOWN

15. (C) TODAY, ARAUCA IS A DEPARTMENT IN STRUCTURAL
COLLAPSE. [REDACTED]

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ACTION EB-00

INFO	LOG-00	MFA-00	NP-00	AID-00	ACQ-00	INL-00	DEAE-00
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	TEDE-00	INR-00	LAB-01	VCE-00	AC-01	NSAE-00	OES-01
	PM-00	ACE-00	SCT-00	IRM-00	SSO-00	SS-00	ASDS-01
	EPAE-00	PMB-00	DSCC-00	DRL-02	NFAT-00	SAS-00	/006W

-----59EF4E 181621Z /38

P 181609Z JAN 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 6218
INFO AMEMBASSY PANAMA
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY MEXICO
SECDEF WASHDC
NSC WASHDC
DOJ WASHDC
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RECIFE FOR F. FERNANDEZ

E.O. 12958: DECL: 01/18/12

TAGS: EPET, PTER, MASS, PREL, PGOV, EAID, SNAR, ASEC, CO
SUBJECT: ARAUCA PIPELINE SECURITY: "THE WAY AHEAD"

[REDACTED] SOCIAL SERVICES ARE IN A
STATE OF DISREPAIR, AND EDUCATION, HEALTH, AND SANITATION
SYSTEMS ARE POORLY DEVELOPED. THE CHURCH ATTEMPTS, WITH
ITS LIMITED RESOURCES, TO PROVIDE HUMANITARIAN ASSISTANCE
TO ORPHANS AND THE POOR, ADMINISTER A RURAL EDUCATION
PROGRAM, AND SPONSOR PEACE AND COEXISTENCE PROGRAMS.
HOWEVER, INCREASING NUMBERS OF INTERNALLY DISPLACED
PERSONS (IDPS) ARE TAXING THE CHURCH AND DEPARTMENT'S
LIMITED FINANCIAL RESOURCES.

B1

16. (C) THE ECONOMY HAS ATROPHIED FROM YEARS OF
RECESSION. [REDACTED]

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THE AGRICULTURAL AND CATTLE-BASED ECONOMY IS SUFFERING
UNDER THE INCREASING VIOLENCE AND EXTORTION WROUGHT BY
THE GUERRILLAS AND PARAMILITARIES. ROADS ARE MAINLY
UNPAVED OUTSIDE OF THE CAPITAL AND INCREASINGLY
CONTROLLED BY THE GUERRILLAS. ON OCTOBER 16, THE FARC
ENDED A 19-DAY "PARO ARMADO" ("ARMED BLOCKADE"), WHICH
BLOCKED OVERLAND TRANSPORTATION BETWEEN ARAUCA AND
ARAUQUITA, REPORTEDLY TO PROTEST THE ARRIVAL OF
PARAMILITARIES, CAUSING LOSSES TO THE DEPARTMENT OF

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ALMOST USD 20 MILLION, FOOD SHORTAGES, AND THE NEAR
COLLAPSE OF THE LOCAL TAXI AND BUS INDUSTRY (REFS B,C).
OVER 90 PERCENT OF ARAUCA DEPARTMENT AND CITY'S BUDGETS
ARE DEPENDENT ON OIL ROYALTIES, AND THE TWO STOPPAGES IN
2001 REDUCED REVENUE BY MORE THAN USD 50 MILLION. OVER
THE PAST 16 YEARS, PRODUCTION STOPPAGES DUE TO PIPELINE
ATTACKS BY THE GUERRILLAS HAVE REDUCED DEPARTMENT AND
NATIONAL ROYALTIES BY AN ESTIMATED USD 271 MILLION. THE

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ACTION EB-00

INFO	LOG-00	MFA-00	NP-00	AID-00	ACQ-00	INL-00	DEAE-00
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	PM-00	ACE-00	SCT-00	IRM-00	SSO-00	SS-00	ASDS-01
	EPAE-00	PMB-00	DSCC-00	DRL-02	NFAT-00	SAS-00	/006W

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P 181609Z JAN 02
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 6220
INFO AMEMBASSY PANAMA
AMEMBASSY CARACAS
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY MEXICO
SECDEF WASHDC
NSC WASHDC
DOJ WASHDC
DIRONDCP WASHDC
USCINCSO MIAMI FL

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USMILGP BOGOTA CO
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